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DEPARTMENT OF  
COMMERCE  
OFFICE OF THE SECRETARY  
WASHINGTON, D.C. 20540

Original Title Page

SOUTHERN AFRICA/OCEANIA AGREEMENT (3rd Edition)  
FMC No. 203-011453-003

An Agreement Between Ocean Common Carriers  
Pursuant to 46 CFR 535.104(i), (y) and (gg)

Note

This Agreement Was Previously republished on July 30, 1999, and is republished herein.



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GENERAL COUNCIL OF THE COMMISSION

Southern Africa/Oceania Agreement (3rd Edition) First Revised Page 1  
FMC No. 203-011453-004

WITNESSETH

The Parties Hereto Have Agreed As Follows:

**ARTICLE 1: NAME OF AGREEMENT**

The name of this Agreement is the Southern Africa/Oceania Agreement, hereinafter referred to as the "Agreement."

**ARTICLE 2: PURPOSE OF AGREEMENT**

The purpose of this Agreement is to enable the Parties to provide efficient, dependable, durable, stable and competitive transportation **service** in the trade covered hereby, and for their mutual benefit and that of the shipping public, by means of the cooperative arrangements hereinafter established.

**ARTICLE 3: PARTIES TO AGREEMENT**

The Parties to this Agreement are:

Safmarine Container Lines N.V. (Safmarine)  
Der Gerlachekaai 20, B-2000  
Antwerp, Belgium

Mediterranean Shipping Co. S.A. (MSC)  
40 Av Eugene Pittard  
1206 Geneva, Switzerland

A.P. Moller Maersk A/S, trading under the name of Maersk Sealand  
("Maersk Sealand")  
50, Esplanaden DK 1098  
Copenhagen K, Denmark

#### ARTICLE 4 : GEOGRAPHIC SCOPE OF AGREEMENT

This Agreement covers container cargo transported between all ports in the United States and inland and coastal points served via such ports on the one hand, and all ports and inland and coastal points in (i) Australia, New Zealand and other islands of Oceania, (ii) the Republic of South Africa (including Botswana, Lesotho, and Swaziland) and (iii) Mozambique, Malawi, Zimbabwe, Namibia, Zambia, and adjacent Indian Ocean Islands of Reunion, Mauritius, Madagascar, the Comoros, and Seychelles (via Republic of South Africa ports) (all together, hereinafter, "the Trade").

The Parties agree that only Safmarine and MSC will load cargo to and from Australia, New Zealand and other islands of Oceania, in vessels operated under this Agreement, except under sub-charters authorized by Article 5.2 hereof.

#### ARTICLE 5 : OVERVIEW OF AGREEMENT AUTHORITY

5.1 The Parties may share or procure facilities, assign employees, agents and contractors to perform supervisory, administrative, accounting and operational functions (including documentation, data processing/interchange, husbanding, procurement of supplies and services, scheduling, allocation of space, forecasting, terminal operations, equipment control and stowage planning) relating to this Agreement, allocate any such functions between them and agree on the distribution of expenses arising therefrom. The Parties also may implement this Agreement by meetings, writings and other communications between them, through Committees appointed by their respective seniors and by means of other administrative/managerial arrangements deemed necessary to effectuate its provisions, and they may prepare and exchange statistics, studies, reports, information and other data and materials as pertain to Agreement business and agree on matters regarding indemnification and insurance.

5.2 The Parties may charter, cross-charter or otherwise make spaceflots available to **and/or** from each other on their respective vessels for the transport of containerized cargo, empty containers and other cargo equipment in the Trade, **all** upon such terms and conditions (including those regarding the handling of claims) as they may from time to time agree under appropriate slot charter party arrangements. The Parties also may, subject to their mutual consent, individually or jointly (i) sub-charter or otherwise make spaceflots they operate and control, including that obtained from each other as provided above, available to other ocean common carriers operating in the Trade pursuant to agreements at the time in effect under the U.S. Shipping Act, of 1984 (the "Act") and (ii) likewise so obtain spaceflots from such other carriers pursuant to such agreements. Except as they may otherwise agree, container cargo carried by the Parties within the scope of this Agreement may only be carried on vessels operated by them under **this** Agreement, and not on any other vessels or via the services of any other carriers.

5.3 The Parties may agree on their respective services in the Trade including the number, size and type of line-haul and feeder vessels they employ, the rationalization of such services, the number of sailings, schedules, ports called, frequency of port calls and apportionment of total slot capacity. The Parties also may charter and sub-charter vessels to and/or from each other and jointly from others for use in the Trade on such terms as they may, from time to time, agree. The Parties shall, however, contribute no more than a total 16 line-haul

container vessels of no more than 2,250 TEU capacity apiece. Safmarine shall contribute 3 vessels, MSC shall contribute 3 vessels, and Maersk Sealand shall contribute 1 vessel, each of at least 1,650 TEU at 14 tons homogeneous, a **minimum** of 200 **fixed** reefer plugs, which can accommodate 40' high cube reefers, and an operating speed of 20 knots. Each Party will bear the **full** running costs of the vessels it contributes and operates pursuant to this Agreement (including the full hire thereof if voyage or time-chartered), bunkers and **P&I** costs included, and each Party shall **manage/operate** such vessels so as to **meet** mutually established sailing schedules. The Parties further agree that (i) except as they may otherwise agree, they shall not deploy any container vessels in the Trade which would operate in competition with the **services** provided by them pursuant to this Agreement; and (ii) shipments bound **to/from** East Africa will not be transported via vessels operated pursuant to **this** Agreement.

5.4 The Parties may cooperate and agree with regard to the interchange, purchase, lease, sublease, rationalization, pooling, operation and **maintenance/repair** of containers, chassis and other equipment and facilities including, but not limited to, the number and type of containers they altogether and each shall from time to time contribute, the operation of chassis pools and container depots, freight **stations/yards** and other places for the receipt and **delivery** of cargo, unladen container equipment and

the storage of such equipment. The Parties also may cooperate and agree on the operation, procurement and use of terminal facilities, jointly negotiate and enter into leases, subleases or assignments for such facilities, and contract for stevedoring, terminal and other required services or supplies with each other and jointly with third parties. Provided, however, that nothing in this Agreement shall serve to authorize the Parties to jointly establish, operate, or maintain a marine terminal in the United States and further provided that each **Party** shall bear the procurement, maintenance and repair costs of the containers and chassis it contributes under this Agreement.

5.5 The Parties may pool revenue/earnings/expenses accruing from operations under this Agreement in accordance with the following terms.

(a) **All** gross freights from cargo within the scope of this Agreement including "single factor rates (net of intermodal revenue)," and 3rd party slot charter revenue will be aggregated and pooled, and **all** vessel port, cargo loading/discharging, empty container positioning, container theoretical imbalance, container full and empty move allowances, Mozambique terminal handling charge, and chassis costs (forwarder commission/brokerage included, agents commissions/brokerage, equipment control fees, advertisement costs, whether or not agreed, excluded) will likewise be aggregated and pooled. Slots sold to third parties will be pooled on the basis of slot revenue and handling costs. The difference between such income and expenses, (i.e., "earnings") will be apportioned between the parties as follows:

Safmarine 3/7 (42.86%)  
Maersk Sealand 1/7 (14.28%)  
MSC 3/7 (42.86%)

Notwithstanding the foregoing, any payment to be made pursuant to this Article 5.5. after the first sailings northbound and southbound in 2005, whether made to MSC by Safmarine/Maersk Sealand or vice-versa, shall not exceed U.S.\$300,000 (United States Dollars Three Hundred Thousand) in any given month.

(b) Each Party **will** issue manifests/bills of lading (and/or equivalent documentation) for its own bookings. Cargo/freight

manifests, manifest correctors and vessel container **loading/discharging** lists will be prepared, accepted and communicated as the Parties may agree. The Parties may, furthermore, agree to the books, records and accounts to be established by and between them, **debit/credit** notes and other accounting documents to be maintained and **exchanged**, currency in which accounts will be stated and rates of exchange to be **applied to currency** conversion, all matters pertaining to the reconciliation and settlement of accounts, and the **appointment** of an external audit company to control transactions. **Safmarine** shall administer the pool account on behalf of **Maersk Sealand** and will exchange all relevant pooling data with MSC with respect to the operations of both **Safmarine** and **Maersk Sealand**.

5.6 (a) The Parties agree that they may, but are not required, to have a common position concerning membership in any conference or rate agreement covering any sector of the Trade.

(b) The Parties may, on a voluntary basis and subject to the provisions of any conference, rate, discussion or other **agreement(s)** to which they adhere in the Trade, discuss and agree upon a common position with respect to any matter within the scope thereof. Provided, however, that nothing in this Agreement shall serve to abridge, impede or otherwise restrict exercise of the right of independent action to which each of the Parties may be entitled under any such other agreement.

(c) To the extent the Parties are not members of any conference or rate agreement covering any sector of the Trade, or that rates and/or service items are open or otherwise not established or set under such an agreement to which they adhere, the Parties may discuss and, on a voluntary and non-binding basis, agree upon rates, charges, service items and conditions of service and policy in connection with their respective operations.

5.7 The Parties may agree to jointly engage in activities and enter into agreements with rail, air, motor and water carriers (including parent, subsidiary, sister companies and divisions) concerning non-U.S. inland, Indian Ocean and cabotage segments of cargo shipments and unladen container equipment transported pursuant to this Agreement, feeder, relay, transshipment and equipment positioning/handling services in connection therewith, levels of compensation for relevant services ("grid costs") and the extent to which grid costs are to be borne by them individually or pooled for the purposes of Article 5.5 of this Agreement.

5.8 Notwithstanding any other provision of this Agreement and for all purposes in connection therewith, each Party shall retain its separate corporate identity, be responsible to collect its own freight revenue and bear its own bad debts, employ its own bills of lading and/or equivalent documentation, and maintain and operate its own separate sales, marketing, pricing and agency departments/organizations.

**5.9** The foregoing provisions of this Article shall not be deemed to be definitive of the authority of the Parties under this Agreement and such authority shall also include that which is elsewhere expressed herein and extend to all operations, activities and agreements interstitial to or otherwise in implementation of all such expressed authority or undertaken or entered into with a reasonable basis to conclude that such collective action is covered by this Agreement, as lawfully in effect at the time the action occurred.

#### ARTICLE 6 : OFFICIALS OF AGREEMENT AND DELEGATIONS OF AUTHORITY

The officials of this Agreement shall be senior executive representatives of the respective Parties as, from time to time, designated by them, and said officials shall have authority to file this Agreement and modifications thereto, and to submit associated supporting materials, as may be necessary to meet such governmental requirements as are applicable thereto, and to delegate such authority to legal counsel. Central points of entry will be Geneva for MSC, Copenhagen for Maersk Sealand and Capetown for Safmarine. The Parties may establish other points of entry and agree to the responsibilities thereof.

#### ARTICLE 7: AGREEMENT MEMBERSHIP, READMISSION AND WITHDRAWAL READMISSION

7. 1 New Parties may be admitted (and readmitted) to membership in this Agreement upon the unanimous consent of current Parties and in accordance with applicable legal requirements.

**7.2** A Party may withdraw from this Agreement, without penalty, upon not less than six months' notice in writing of such intent to other Parties.

**7.3** Except as may be otherwise specifically provided herein, the obligations of the Parties hereunder shall be totally excused to the extent made necessary by the existence and continuation of conditions beyond the Parties' control that render any Party unable to **carry** out their obligations (other than obligations of the affected Party to pay or expend monies in connection **with** the performance of such party's responsibilities under the Agreement) because of, or due to, war, **civil** commotion, invasion, rebellion, hostilities, strikes, labor disputes, sabotage or other work stoppage, unusually severe weather, legal intervention including without limitation regulations or orders of any governmental authority, acts of God, or inability to obtain materials or services, provided that, the Party asserting the existence of such conditions as excuse for non-performance shall promptly give written notice of such conditions to the other Party. In such event, performance of both Parties under the Agreement shall be suspended until such time as the event of force **majeure** shall terminate.

#### ARTICLE 8: AGREEMENT VOTING

**All** matters to be decided under this Agreement, including any **amendment/modification** thereto, shall be subject to the

consent of all Parties, except that matters pertaining solely to the Oceania portion of the Agreement shall be subject to the consent only of **Safmarine** and MSC. There shall be no quorum requirements under this Agreement and decisions may be taken at meetings of the Parties or by means of other communications between them.

#### ARTICLE 9: DURATION AND TERMINATION OF AGREEMENT

This Agreement or any amendment thereto may be implemented, in whole or in part, as from the date it becomes lawfully effective and binding and its term shall be of indefinite duration. The Parties may, however, decide to terminate or suspend this Agreement at any time and upon such terms as they may determine, provided that any such termination or suspension shall be implemented in accordance with any governmental requirements applicable thereto. Any voyage of a vessel of a Party operated pursuant to this Agreement which has commenced but has not been completed prior to the effective date of the termination of this Agreement under this Article, or Article 7.2 hereto, shall be subject to the terms of this Agreement in its entirety. Any obligation jointly or severally incurred by the Parties under this Agreement during the term thereof shall survive its termination.

#### ARTICLE 10: ASSIGNMENT OF AGREEMENT

A Party may not assign or transfer this Agreement, or any of its rights and obligations hereunder, to any other person without the prior written consent of other Parties.

#### ARTICLE 11: GOVERNING LANGUAGE AND LAW OF AGREEMENT

This Agreement shall be written in the English language and its interpretation and enforcement, and the rights and obligations of the Parties established thereby, shall be governed by the laws of England. Provided, however, that nothing herein shall relieve the Parties of compliance with the regulatory statutes and rules of any country as may be applicable to this Agreement and further provided that words used in this Agreement which are defined by such statute and rule shall be construed accordingly.

#### ARTICLE 12 : AGREEMENT DISPUTES AND ARBITRATION

12.1 All disputes or claims, including questions of interpretation and questions of whether an arbitrable issue exists, which may arise under this Agreement and which are not amicably resolved by the Parties, shall be settled by arbitration. Where arbitration is demanded pursuant to this Agreement, the following procedures shall apply.

12.2 Arbitration shall be held in London, England, upon written notice of demand therefor by any Party to the other or others involved specifying the nature of the dispute or claim and requiring referral thereof to arbitration pursuant to this Article of the Agreement. A single arbitrator shall be selected upon the mutual agreement thereto by the involved Parties. Should they not so agree with 15 days of receipt of such notice, the matter shall be settled by a single arbitrator

to be appointed by the President of the London Maritime Arbitrators Association (the "Association") following the request, by notice in writing, for such appointment made by any involved Party.

12.3 The arbitration shall be conducted in accordance with the laws of England pursuant to the Arbitration Act of 1996, or any statutory modification or reenactment thereof at the time in force (the "Arbitration Act"), and to such rules of the Association as may be applicable to such arbitration proceedings **as** also at the time in force. The Parties may, by mutual consent, elect to observe the Short Form Rules of the Association. To the extent permitted by the Arbitration Act, the Parties expressly exclude, pursuant to section 3(1) thereof, the jurisdiction of the English High Court of Justice to entertain any appeal or application under sections 1 and/or 2 of the Arbitration Act.

12.4 It is hereby stipulated that **all** fees and expenses of the arbitration shall be for the account of the Party at fault, or otherwise failing to prevail on the merits, and that the arbitrator shall be requested to expressly provide for same in the award and to determine all questions with regard thereto. All other costs and expenses of the arbitration shall be paid for and borne by the Parties as provided by the rules of the Association or as determined by the arbitrator if not otherwise covered by such rules. It is further expressly stipulated in advance that any award and/or decision issued in consequence of any matter arbitrated pursuant hereto shall not be published by the Association or by any of its correspondents but shall be held in confidence by them and by the Parties.

12.5 All decisions and awards of the arbitrator reached hereunder shall be final and binding on the Parties, conclusive of all matters determined therein, and judicially enforceable in accordance with law. The Parties agree not to seek administrative or collateral review of any such decision or award at any time in any forum, except in cases where an arbitrator's decisions and awards result in a conflict with the Shipping Act of 1984 as modified by the Ocean Shipping Reform Act of 1998, in which case the Parties may seek review of such arbitration decisions and awards before the Federal Maritime Commission.

#### ARTICLE 13: SEVERABILITY OF AGREEMENT PROVISIONS

Should any provision of this Agreement be held invalid, illegal or unenforceable, the remainder hereof, and the application of its provisions to persons or circumstances other than those as to which it may be so held, shall not be affected thereby and each provision of this Agreement shall remain valid and enforceable to the full extent permitted by law.

#### ARTICLE 14 : CARRIER OBLIGATIONS

(a) Safmarine, Maersk Sealand and MSC, while maintaining and offering common carrier service in the Trade, and during the term of this Agreement, agree to operate vessels in the Trade capable of safely transporting and handling cargo and equipment booked hereunder.

(b) The responsibility of Safmarine, Maersk Sealand or MSC, as carrier, and of each Party's vessels, for the loss or damage to or in connection with goods, containers, chassis, or other equipment carried pursuant to this Agreement, shall, except as otherwise provided herein, be in accordance with the provisions of the U.S. Carriage of Goods by Sea Act, 1936 (COGSA) , 46 U.S.C. 1300

et. seq. COGSA shall apply to shipments carried on deck and to shipments of live animals. COGSA shall also apply while the shipment is in the custody of the Owner (the Party letting space being referred to as "Owner" and the Party hiring space as "Charterer") before the time when the shipment is loaded on, and after the time when the shipment is discharged from, the ship. The Charterer shall not issue any bill of lading or enter into any agreement which to any extent surrenders the Owner's rights and immunities or increases the Owner's responsibilities and liabilities as stated in COGSA. The Owner shall in no event be or become liable for any loss or damage to or in connection with the transportation of shipments pursuant to this Agreement in an amount exceeding \$500.00 per package, or in the case of cargo not shipped in packages, per customary freight unit unless the nature and value of goods were declared by the shipper before shipment and inserted in the bill of lading. The liability of the Owner to the Charterer, if any, shall in no event exceed the liability, if any, of the Charterer to the persons interested in such shipment in respect to such loss or damage. Without limiting the generality of the foregoing, the Owner shall not be responsible for loss or damage to cargo in a container or other equipment or to the container or other equipment itself, resulting from the manner of stowing or securing cargo therein, the nature of the cargo itself, or defective containers or other equipment, or for any loss or damage to cargo in the container or other equipment resulting from any negligence or omission of the Charterer or the Shipper. The Charterer shall be responsible for investigating, handling, defending, and settling cargo claims for its cargo and the Owner shall provide the Charterer, on request, with all necessary documents such as mate's receipt, tally sheets, stowage plans, damage reports, sea protests, etc. The Charterer shall provide the Owner prompt and full notice of claims presented to the Charterer and shall pay claims only after the Owner's review and written approval. As soon as a claim is settled, the Owner shall reimburse the Charterer for the amount paid to the claimant to the extent that the Owner is responsible under this Agreement. In no event shall the Charterer deduct amounts for claims from amounts due the Owner as charter hire.

EXECUTION OF AGREEMENT

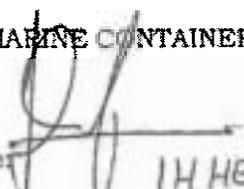
IN WITNESS WHEREOF, the Parties to this Agreement hereby agree this 29<sup>th</sup> day of October, 2004, to amend the Agreement ~~as per~~ the attached pages and to file the same with the U.S. Federal Maritime Commission.

SAFMARINE CONTAINER LINES N.V. (SAFMARINE)

By:

Name:

Title:

  
I.H. HEESOM-GREEN  
CEO

MEDITERRANEAN SHIPPING CO. S.A. (MSC)

By:

Name:

Title:

A.P. MOLLER MAERSK A/S

By:

Name:

Title:

A.P. MOLLER MAERSK A/S

By:

Name:

Title:

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EXECUTION OF AGREEMENT

IN WITNESS WHEREOF, the Parties to this Agreement hereby agree this 25th day of October, 2004, to amend the Agreement as per the attached pages and to file the same with the U.S. Federal Maritime Commission.

SAFMARINE CONTAINER LINES N.V. (SAFMARINE)

By:

Name:

Title:

MEDITERRANEAN SHIPPING CO. S.A. (MSC)

By:

Name: FERDINANDO CIBELLI

Title: TRADE MANAGER

A.P. MOLLER MAERSK A/S

A.P. MOLLER MAERSK A/S

By:

By:

Name:

Name:

Title:

Title:

EXECUTION OF AGREEMENT

IN WITNESS WHEREOF, the Parties to this Agreement hereby agree this 20<sup>th</sup> day of October, 2004, to amend the Agreement as per the attached pages and to file the same with the U.S. Federal Maritime Commission.

SAFMARINE CONTAINER LINES N.V. (SAFMARINE)

By.

Name:

Title:

MEDITERRANEAN SHIPPING CO. S.A. (MSC)

By.

Name:

Title:

AP. MOLLER MAERSK A/S

By.

Name: J. HARLING

Title: V.P.

AP. MOLLER MAERSK A/S

By.

Name: PETER FREDERIKSEN

Title: SR. V.P.